



THE CITY OF SAN DIEGO

## Redevelopment Agency's Report

DATE ISSUED: March 3, 2004

REPORT NO. RA-04-05

ATTENTION: Chair and Members of the Redevelopment Agency  
Docket of March 9, 2004

SUBJECT: Approve the 2<sup>nd</sup> Exclusive Negotiating Agreement with San Diego State  
University Foundation for the proposed The Paseo Mixed-Use Project

### SUMMARY

Issue – Should the Redevelopment Agency authorize the Executive Director to enter into a 2<sup>nd</sup> Exclusive Negotiating Agreement (ENA) with the San Diego State University Foundation (SDSUF) for the proposed The Paseo Mixed-Use Project?

Executive Director's Recommendation –

1. The Redevelopment Agency approve the ENA extending the negotiations with the SDSUF for the proposed The Paseo Mixed Use Project and;
2. Amend the Fiscal Year 2004 Agency Budget for the College Community Redevelopment Project Area to accept an additional Developer Deposit of up to \$100,000.

Fiscal Impact – The \$100,000 SDSUF deposit will pay for continued staff time, outside consultants and attorney's fees to process the ENA.

### BACKGROUND

On March 4<sup>th</sup>, 2003 The Redevelopment Agency of the City of San Diego (Agency) voted unanimously to enter into an ENA (Report No. RA-03-06) with the SDSUF for the proposed The Paseo Mixed-Use Project (The Paseo). The ENA was effective for a period of up to 1 year, with an automatic 6 months, and two additional 90-day extensions. The Agency Deputy Executive Director has executed both 90-day extensions, effective through March 1, 2004.

Although the Agency and SDSUF have been working cooperatively to reach a Disposition and Development Agreement (DDA), the size and scope of the proposed The Paseo has increased substantially and will require additional time to negotiate.

## DISCUSSION

At the request of the City's Planning Department, the SDSUF has modified its development program for the proposed The Paseo. The modification was principally an increase to the housing element of the project in order to reach the 45-75 net dwelling units per acre the College Area Community Plan requires for the proposed site. This has resulted in a substantial change in the overall development program and financial plan.

The following outlines the general changes to the proposed The Paseo since the original ENA was entered into:

	<b>Prior Development Program</b>	<b>Current Development Program</b>	<b>Change</b>
<b>Residential</b>	<b>372 units</b>	<b>461 units</b>	<b>24% increase</b>
Office	100,000 square feet	100,000 square feet	same
Retail	250,000 square feet	250,000 square feet	same
<b>Parking</b>	<b>1,730 spaces</b>	<b>1,950 spaces</b>	<b>13% increase</b>
<b>Total Project cost</b>	<b>\$190 million</b>	<b>\$275 million</b>	<b>45% increase</b>

On January 5, 2004, The SDSUF presented Agency staff the revised pro-forma for The Paseo based on its most current development plan. Agency staff has begun the analysis of the pro-forma and has continued negotiations.

## SUMMARY

With approval of the 2nd ENA, Agency staff will continue negotiations with the SDSUF for The Paseo for an additional 180 days (with 2 possible 90-day administrative extensions) and accept up to \$100,000 in developer deposit.

## ALTERNATIVE(S)

The Redevelopment Agency not approve the 2<sup>nd</sup> The Paseo ENA with the SDSUF.

Respectfully submitted,

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Todd G. Hooks  
Deputy Executive Director,  
Redevelopment Agency

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Approved: Hank Cunningham  
Assistant Executive Director,  
Redevelopment Agency

MF/mf

Attachment(s):

1. 2<sup>nd</sup> The Paseo ENA – March 9<sup>th</sup>, 2004
2. Original The Paseo ENA – March 7<sup>th</sup>, 2003